



**Written Testimony from the  
Independent Insurance Agents of Maryland  
House Bill 1628**

**Sales and Use Tax - Rate Reduction and Services**

**Position: Oppose**

Dear Chair Kaiser and members of the House Ways & Means Committee

Thank you for the opportunity to provide this testimony in opposition to House Bill 1628. The Independent Insurance Agents of Maryland (IIAM) is the State's oldest trade association of independent insurance agents. It represents 200 independent agencies, which employ over 2000 people in the state. IIAM represents independent insurance agents and brokers who present consumers with a choice of policy options from a variety of different insurance companies. These small, medium, and large businesses offer a variety of insurance products – including property, casualty, life, health, employee benefit plans, and retirement products.

House Bill 1628, as written, would have a detrimental impact on consumers because of the inclusion of the services provided by insurance producers into the sales and use tax. The services of an insurance producer, especially an independent insurance producer, are the best way a consumer can truly and effectively compare and contrast insurance products for their personal and business needs. Adding a tax to this service will cause people to avoid using the services of an insurance producer by doing a rudimentary and uneducated search on the internet for products the average consumer knows very little about.

We think that the inclusion of these services into the sales and use tax will have the unintended consequence of adding unnecessary costs for insurance (which the legislature has consistently tried to fight against) and causing insureds to make uneducated decisions about very complex and vital products.

## **IIA Maryland's Legislative Representation**

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